

In a risky business, Duane Pearsall emphasized people

Dean of venture capital to retire

By Price Colman

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Duane Pearsall seems an awfully nice guy for somebody who's devoted a career to the high-pressure world of venture capital financing.

You'd figure that anyone accustomed to shepherding millions of dollars while a horde of hungry start-up firms are banging at the door would develop a certain arrogance.

Not Pearsall, who founded Columbine Venture Funds in 1983.

And now that he's retiring Oct. 1, it seems unlikely he'll suddenly turn mean. If anything, he's likely to mellow.

"When you go and put your money and your family's money and friends' money in a company, and you don't know whether it's going to make it, that's risk-taking — that's a gut grinder," Pearsall told members and guests at last week's VC Summit '93, a venture-capital conference put on by the Rockies Venture Club. "These venture capitalists do this every day. That's something I'll be glad to get rid of."

But don't get the idea that Pearsall, at 71, is headed for the rocker. The risk factor has become so much a part of his life that retiring won't mean leaving it behind. Instead, he'll transfer it to his two favorite recreational pursuits: sailing and skiing.

Brinkmanship may be a key quality for the successful venture capitalist. But Pearsall's major



Pearsall

contribution emerged on a front not typically associated with high-flying finance.

"The thing that he brings that is so precious to the current art of VC — and it is an art

still — is the whole dimension of people," said Jerry Donahue, executive director of the Boulder Technology Incubator. "He has 're-cultured' the venture capital thinking to put people first as the most important thing to look at when you're investing. There's no one you can attribute that to more than Duane Pearsall."

Along with people such as Jack Tankersly of Centennial Funds, Tom Washing of Hill Carman Washing and Kinney Johnson of Capital Health Venture Partners, Pearsall is considered a dean of the venture capital community. Not bad for a guy who took a flyer from Honeywell Corp. after he was passed over for a promotion.

Of course, he did go on to build a 1,000-person company, Statitrol Corp. of Lakewood, that commercialized the first battery-operated smoke detector. Even back in the '70s, before it was politically correct, Pearsall's focus on people was apparent. He made a point of hiring women — 85% of the Statitrol workforce was women who'd never worked outside the home — and established a day-care program before day-care became a *cause celebre*.

Pearsall parlayed his entrepreneurial savvy and personnel skills into an illustrious venture capital career, beginning with the founding of Columbine Venture Funds in 1983. He recorded some remarkable successes.

Perhaps the biggest was Exabyte Corp., the Boulder computer memory firm born out of seed funding provided by Columbine, Centennial, Hill Carman Washing and Masters Fund.

For every home run, however, there are ample strike outs. For Pearsall, the most memorable was Lasertrak, a device that computerized information on Jeppesen flight navigation charts.

"The problem was we got to market at the wrong time," recalled Pearsall.

The Colorado venture capital community is as healthy and dynamic as it's ever been, he says. Leaving that behind won't be easy.

"I'll miss the challenge," he said. "To be my age and to sit and watch companies make presentations, like we do every two weeks, of technologies that have dramatic potential, it's still exciting to see it."

Then again, Pearsall may not be entirely folding his hand.

"He has been through it, the good, the bad and ugly," said Donahue. "And nobody can bring that kind of empathy to the field that Duane can. He feels it from the inside. . . . He won't really be retiring, I guarantee it. The other V.C. firms, they'll have him helping with due diligence."